Income Generation



Introduction

The purpose of income generation is to provide income generating activities for the organisation and the community and securing economic self-reliance. It provides financial tools and training that empower entrepreneurs to build businesses, support families and transform their communities. For example, there are organisations that offer kick-off grants to the most sustainable proposals to support the creation of these initiatives.

In most developing countries, National Associations of the Deaf (NADs) have mainly depended on external support to sustain itself. For example, according to a research report, almost all Organisations of Persons with Disabilities in Africa (including National Associations of the Deaf in Africa) have no fundraising strategies (88%) which subjected to accessing funds very sporadically; internal donations and volunteers were the main sources of resources compared to external grants that constituted only six percent. The research also found out that almost 80% of accessed funds are allocated for programs determined by donors.

Domestic fundraising is an important and inevitable cause to the National Association of the Deaf (NAD)'s sustainability not only in developing countries but globally. The primary challenge for the organisational leadership is to develop their own capacities. They should build their own funding or resource mobilisation capacities: Learn the ABC of the fundraising skills. Your leaders, board members, the executive, and the management should put forward all aspects of fundraising into the organisation's strategic planning process. Acquiring fundraising skills will make the organisation to be in a better position to look for funds in their own environment, and within their villages, communities, districts, regions and nationally.

Fundraising

The basic principles of fundraising

Like many disciplines, fundraising is complex, situational and needs not only professional approaches, but also continued planning and researching. Fundraising is an art of asking for support in the right way. The art of identifying the right giver and satisfying them on what you are doing or trying to do. You should do some search on your prospective donors and identify the people, the ethics, traits, attitude, and approaches needed to get a successful fundraising program. Below, you will find couple of important tips regarding fundraising:

- You must ask.
- Use human affection the personal approach.
- Be known as a positive person or organisation create a positive image, credibility and maintain public relations.
- Follow what they want: If they are working in the field of agriculture, so it may not make sense to make a project about education.
- They do not know how much to give, ask a specific amount.
- Say thank you.





Before you start, it is important to know yourself and your organisation. As individuals and as an organisation you should analyse your strengths and weaknesses. In addition, it is essential to understand who the possible donors are and what they want. Donors are people like individuals: They are business communities, companies, corporations or churches, mosques, NGOs, CBO's, Trust and Foundations. When you understand your donors and what matters to them, you'll be able to connect to them in a meaningful and relevant way. For example, they want:

- To be happy
- To belong
- To achieve a positive change
- To start, or stop or eradicate something
- To be viewed as persons/organisations who contribute to society
- To hear from you
- To talk to you

When seeking donations, it is important that the organisation does not project an image of its members as persons in need of charity. Instead, it should convey a clear message that deaf persons are or want to be self-reliant, but are disadvantaged due to social, communication and physical barriers. Thus, the organisation is seeking assistance in overcoming those barriers so that its members may lead productive lives as full citizens.

When fundraising activities are undertaken, the following principles are important:

- Fundraising terminology and related publicity endeavours must not perpetuate negative images of deaf persons, e.g., as being pathetic, dependent, or helpless, nor reinforce discriminatory behaviour towards them.
- Fundraising activities should present positive images of deaf people.
- Deaf people should participate in fundraising activities only if the resources generated are to be channelled to programs that will assist their integration into society.
- Fundraising publicity should not create the impression that giving money is the only way to assist deaf people.

Fundraising cycle

Professional fundraising starts with:

- First, you should acquire the knowledge of marketing principles:
 - Each fundraiser in the NAD should apply the market mix.
 - They should design and select a good/quality or relevant product (services) to target clients.
 - They should set competitive prices to attract buyers or clients.
 - o They should promote the product or services to catch a bigger audience.
 - They should reach all places (distribute) to serve the target market or clients with continuity.





- Preparation of the fundraising case statement.
- Review the organisation's long-term strategic plan, purpose statement and objective.
- Preparation of list of needs and activities (budgeting).
- Development of a fundraising plan, implementation, monitoring and evaluation.
- Planning again and back to cycle.

Developing a fundraising strategy

The first thing to do is find out what your financial needs are to survive and for future development of the organisation. To survive, you should discuss your current financial needs and construct a budget which can be used for the next 2-5 years. For future development of the organisation, the following questions should be addressed by your organisation:

- What would you like to do that you are not currently doing?
- What future services or projects would you like to run? And what are the consequences of not running these services?
- Will this empower people to help themselves?
- Is what you propose to do an effective way of addressing the need?
- Are other organisations doing similar work? If so, should you enter collaboration?

Discuss these issues with your director and other colleagues to ensure that you have a clear case for expansion. Construct a budget, using your previous project as a guideline.

Different Types of Fundraising

Once you know how much you need to raise and why you need to raise it, you need to figure out how you are going to raise the full amount. What tactics will you use to raise your goal amount this year? Next year? The year after? There are different ways to maintain a sustainable income and earn money to be able to run your organisation.

1. Events

Fundraising through events has become increasingly popular in the non-profit community. The pros are that donors are more likely to give if they can put faces on the names. Since events are generally perceived as fun, they usually attract many people. Events also help raise an organisation's visibility and brand. Events also help to build relationships with key donors, and donors and potential donors can interact in person and learn more about the organisation. However, cons are that events require a lot of detailed planning, and can be ruined by the weather, a competing event on the same day, or guests not showing up. There are many other details over which you have little control.





2. Online donations

"Online donations" here refer to a dedicated donation page on your website. Therefore, a donation page, alongside an online donation platform, is the single most important thing you need to invest in if you want to acquire donors online. Make sure the experience a prospect has on your website is user-friendly and smooth. Properly executed, online fundraising also is simple and easy for donors. Online giving is quicker and more convenient. However, keep in mind that the explosion in online giving campaigns and donation requests can lead to "donor fatigue." The fees for online fundraising platforms and payment processing fees can add up quickly.

3. Crowdfunding

Crowdfunding is all about many individuals each giving a (usually) small donation: \$5, \$10, \$50, \$100. It has become a popular type of fundraising with corporate organisations and non-profits alike. Crowdfunding often helps an organisation promote its campaign and its brand. It can help get a non-profit become known to potential donors that otherwise would not have known about the organisation. Crowdfunding allows organisations to leverage many small donations to raise a larger total amount. However, the cons are that if an organisation does not already have a large audience, it can take a considerable amount of time to market the campaign.

4. Earned income (fee for service, event fees, membership fees, etc.)

Consider setting up a membership fee to raise money. For example, national deaf associations usually have many members. Let us imagine that your organisation has 1,000 members, and each member donates or pays 1 euro for a membership. That would allow you to collect 1,000 euros in total.

5. Establish a project

A project, if it is well developed, can raise significant funds for the association to address specific issues. Many donors like to support activities than support operating costs, a project can help the association to get funds for its operating costs, which are necessary to run the project and the association itself as well.

Importance of income generating scheme

Income Generating Scheme is an extremely important part of your work. It is a question of survival, which helps you to reduce dependency on external aid or generating funds for development. It will also give your organisation more autonomy to follow your own objectives.

Do not put all your eggs in one basket. It is important not to be dependent on one type of donor as donor priorities shift from year to year and this is a dangerous position to be in. Too much dependency also means a donor has more influence over your objective.



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Break it down further. Devise a list of your current donors, including large and small, then add your list of potential donors. From the previous exercise, you now have an idea of how much you need to raise and what your potential sources are.

The importance of fundraising in the long term

Your fundraising strategy should consider both your short- and long-term needs. You may be very successful in obtaining money for the short term which means you can pay your staff salaries etc. enabling you to survive but once the funds are used up you are faced with a deficit. To prevent this problem, you need:

- To obtain long term funding with a donor agency. For example, the European Union has a co-financing scheme whereby they will fund you for a maximum of 5 years and it is specifically to cover your overhead.
- To develop membership schemes for individual donors. For example, when working with charitable institutions like national associations of the deaf in the Global North you can run a scheme whereby people can sponsor a volunteer for 10 USD a month etc.
- To produce and send out annual appeals to your supporters.

Once you have built up a steady base of supporters, you should look at sending out an annual appeal, if you have supporters this is an effective way of reaching them. Organising annual fundraising events which can be repeated to produce income year after year. E.g., in most countries in Africa, a common fundraising event is during Christmas. This is a regular occurrence in most people's calendars and if they support several charities, they normally go to the one hosted by their favourite cause.

How do you find out about these sources and donors?

You should start with carrying out a donor mapping. The steps are:

1. Look at your experiences: This is a very good indication of where you are likely to succeed. These donors already know you and have demonstrated their interest and commitment to you. It is always far easier to build on your existing support than to develop new support.

2. Contacts within your own organisation: Sit down with your management board, staff, and volunteers to see who you know or who you can reach who would be useful to you. Start building on these relationships.

3. Your natural contingency of support: Who has a stake in the problem you are addressing. Local people? A religious network? Government? Business? E.g., with a hospice, the religious sector is obviously a good start point.

4. Share information with your colleagues and similar organisation: E.g. Hotspot Communication company in Dar es Salaam, Tanzania recently agreed to supply Wi-Fi free of charge to the Tanzanian National Association of the Deaf which is a big saving for the association.





5. Telephone book: Look under the business section and pick out the large corporate companies. Ring and ask if they produce Annual Review /Report or other public company information. Read through to see if they have a charitable interest. If relevant, add to your list of potential donors.

6. Reference book: Although expensive, these books are worth investing in as they contain information on all types of donors, from large to small. They give information on the type of organisations they fund and the size of grants. Google search engine is available free of charge but for useful information charge can be imposed on.

7. The internet: You can draw inspiration on other deaf associations worldwide or other associations in your country. Check their websites: Where do they get funding from? The different types of donors

When devising your fundraising strategy, you should think about the different types of donors: Individuals and companies. In addition, you can apply for grants from central government departments, non-governmental organisations (NGOS), international trust of foundations and multilateral aid (eg. UN agencies). Consider whether you are a national or international organisation and whether you should be focusing your fundraising within your own country or externally. Also consider the different ways your donors can help.

Individual

- Cash donation (one off-donation or continuous support) Membership scheme.
- Sponsor an event or activity e.g., Sign Language Day or International Week of the Deaf Persons. For example, in Tanzania, Protea Courtyard Hotel sponsored buffet to raise awareness on deaf community for high profile government officials and the business community in Tanzania.
- Volunteer their time (carry out administration tasks, deliver newsletters etc.)
- Host events themselves such as coffee mornings to raise money for your organisation.
- Purchasing a gift item e.g. cards or promotion materials such as t-shirts, mugs, badges
- Sell second-hand clothes/books.
- Support events by buying tickets, sell tickets to their friends.

Companies

- Cash donations (one off donation or continuous support).
- Sponsor an event or activity.
- Make company facilities available e.g. meeting rooms, printing or design facilities, help with mailing, use of a vehicle.
- Support in kind donate company products or office equipment.
- Secondment offer a member of their staffs to work with your organisation.
- Provide expertise or advise.
- Publicising your organisation in their company brochures/literature.





It is a good idea to develop a donor database, list, and profile, so you can identify potential donors when you are fundraising or planning a project. Donors may also be categorised as follows:

1. NGOs and private foundations

Examples: OXFAM

2. Bilateral (government to government) aid agencies

Examples: Canadian International Development Agency (CIDA), Danish International Development Aid (DANIDA)

3. Multilateral (involving more than two governments) aid from intergovernmental agencies

Examples: United Nations Children's Fund (UNICEF) children, young people, women, World Health Organisation (WHO) – health, primary health care, United Nations Development Programme (UNPD) – small enterprises, industry, matching funds for NGO activities)

